President: We will now resume the discussion on Demands for Grants. Last day we were at Demand X—Excise Department and Mr. Parameswaran Pillai was speaking on it.

Mr. M. N. Paramesvaran Pillai: I may be allowed five minutes more.

President: Yes.

Mr. M. N. Paramesvaran Pillai: Yesterday I was referring to the various acts of irregularity and mismanagement that were being committed by the Excise Department in the Salt Factories. But before I pass on to the next point, I think I shall be failing in my duty if I do not refer to a very important matter concerning the interests of the licensees. At present for the share of the salt which the licensee has to give to Government, he is not paid the kudivila as soon as the salt is entrusted to them. The licensee has to weigh and store the Government's share of the salt and thatch the heaps at his cost, the legal fiction being that Government take delivery of the salt only when the same is actually sold. Till then the licensee is made responsible for any wastage or damage. On the contrary, in British India, the licensee is paid soon after the salt is weighed and stored. The present practice that is followed by our Excise Department causes great loss and works considerable hardship to the licensees and hampers the large scale production of salt in our factories.

With regard to the quality of salt now manufactured in the alloms, I have to point out that owing to want of proper supervision the salt produced at present contains more of magnesium sulphide which is poisonous and highly injurious to the human system. No officer posted in the Salt Factories really attends to the testing of the brine in the crystallising beds. Although there is a rule that no salt shall be scraped when the density of the brine in the pans exceeds 30 Beaume, the licensees are always allowed to scrape salt even at 35 Beaume. This practice is adopted by the licensees with a view to get more salt, but the dangerous consequence of it is that such salt becomes useless on account of the appearance of more percentage of magnesium sulphide.

In every factory in South Travancore where salt is manufactured, the Government are maintaining a sufficient number of Excise men for the purpose of supervision of manufacture and for guarding salt. And on this account Government realise every year more than 3 lakhs of rupees under item "Recoveries on account of charges incurred in the sale of salt." This works almost at the rate of 4 annas per maund of salt. The levy of this item has naturally raised the price of salt. The Government have no right under the

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Salt Regulation to realise such a big amount. Section 35 (4) of the Salt Regulation, III of 1088, makes it obligatory on the part Government to spend from the duty levied on salt 5% on the establishment maintained at the factory or place of storage for the purpose of guarding the salt and of realising the revenue therefrom. Only when the cost of establishment maintained at the factory or at the place of storage exceeds 5% of the duty levied that Government will be entitled under Section 35 (4) to realise the excess. But the cost of establishment on account of Salt Factories or on the whole salt business has, at no time, gone beyond a lakh and a half rupees, in 1109 the amount being only Rs. 1,36,792 whereas the duty alone in 1109 was Rs. 18,90,000. There is therefore, no justification for collecting such big amounts under item "Recoveries". It is indeed in the nature of a super-tax that the Government now levy the excess from the people under the item "Recoveries", and I need hardly point out that that imposition is highly illegal and is a deliberate act of fraud perpetrated on the innocent and unsuspecting purchasers. It is only just and fair that the Government should take the earliest opportunity to discontinue the levy of this additional imposition. That, I am sure, is bound to make salt cheaper. Reduction in the price of salt always tends to increase consumption and ultimately wipes out the loss that might be caused to the exchequer on account of the abolition of this item of super-tax.

Sir, there is yet another point which I wish to emphasise in this connection and that is about a pernicious practice prevailing in the Salt Factories. It is a notorious fact that in almost every factory the Excise staff is always found to be in league with the licensees and for filling every sack with salt they insist upon the purchasers to shell out not less than 3 chuckrams, although the actual cost of labour does not involve more than 4 cash per sack. But this rate of 3 chuckrams has practically become a conventional rate just like Kathipanam which was once in vogue in the Arukutty Division of the Excise Department. The excess either wholly goes into the pockets of the Excise authorities or is shared between them and the licensees. The Excise Commissioner does not pay proper attention to the affairs of the Salt Factories. It is true that he seldom remains at the head-quarters but goes on circuit, but with all that, one is tempted to ask how many times he has visited the Factories. At any rate, I have to strongly point out to him that efficient supervision and better control are needed to check the unbridled vagaries of his subordinates. Then I have also a word to say in regard to the importation of foreign salt from Bombay and Tinnevelly. In spite of the large quantity of home

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[Mr. M. N. Paramesvaran Pillai.]

salt available in the Factories, the Government always go to patronise the foreign manufacturers and importers who dump into our country the worst salt produced there. The Government might have learned from the report of the British Indian Salt Committee that only 4th and 5th rate salt mixed with mud and other impurities is imported into our State from Bombay, the best salt manufactured in Bombay being sold in Calcutta and other places. The total quantity of salt required for consumption in our State is about 12 lakhs of maunds and at present we are ourselves able to produce more than that quantity. The total quantity of home salt available for consumption in all the factories and depots during 1109 was 17,78,954 maunds and during the current year which has been exceptionally favourable for the manufacture of salt, the total out-put must be still larger. In these circumstances, we do not find any ostensible reason for the large scale importation of foreign salt into our State from Bombay and Tinnevelly. The necessity once felt for such importation has practically ceased and it is high time to discontinue the practice. With these words I support the motion.

Mr. C. O. Madhavan (*Excise Commissioner*) : May I know whether the report contains the fact that there are 17 lakhs of maunds of salt.

Mr. M. N. Paramesvaran Pillai : Sir, the Travancore Administration Report for the year 1109 shows that there were altogether 17 lakhs odd maunds of salt available in the factories and depots at the end of the year. I may also point out that in the course of his answers to the various questions put to him day before yesterday, the Excise Commissioner himself gave us the figures relating to the quantity of salt available in the factories as well as in the various Government depots. If I remember correct the Excise Commissioner informed this House that there were about 12 lakhs of maunds of salt in the Factories and nearly 6 lakhs of maunds of salt in the depots. If these figures are added up, the Excise Commissioner can have the answer to his question.

Mr. C. O. Madhavan : What I stated was with regard to the out-put of salt this year and it is not contained in the Administration Report.

Mr. M. N. Paramesvaran Pillai : I was only speaking about the figures of last year. This year the season was exceptionally favourable for salt manufacture and, therefore, the out-put must be certainly larger.

Mr. K. P. Nilakanta Pillai : I oppose the demand. Turning from the question of salt I am on the broader question of

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excise. It has been the declared policy of Government from time to time that the ideal or final goal with reference to the working of this department is complete prohibition. This was definitely announced before this House during the time of the late Dewan Mr. Watts and subsequently very definite steps were taken towards the realisation of this goal. One step taken was the introduction of local option in the Changanacherry town. This experiment was tried some years back and the fact that the local option is still going on in the Changanacherry town will lead to the conclusion that the citizens of the town as a whole are against drink. But various action taken by the Department deserves to be condemned because when the people desired local option, when they wanted to keep out all sorts of drink from within the limits of the town, the Excise Commissioner unwanted and on the representation of nobody would introduce a toddy shop inside the town and he would also see that toddy shops were established on the borders of the town so that it might subsequently be said that the experiment was not encouraging. I will invite the attention of the House to an answer to a question given by the Excise Commissioner that the experiment is not encouraging. How can it be encouraging if the Excise authorities in their anxiety to realise as much money as possible from this evil drink would introduce shops inside the towns, advertise local option and afterwards say that the experiment is tried and is not found to be a success. From this method I must presume that the Department is trying its best to encourage drink habit and not to discourage it as they are not proposing the experiment in other towns. From the Administration Report for the year 1109 we see that the total receipt under Abkari including ganja amounted to Rs. 23·4 thousand while it is Rs. 27 thousand odd in 1108. This shows that the income from the drink evil for the year 1108 when compared to the year 1109 has fallen down. But the Excise Commisioner would say that this fall is due to the economi depression. If as a result of economic depression the sale of local toddy and arrack has fallen down I will ask how he would explain the increase of 3,000 odd gallons of foreign liquor imported into the country for consumption during the year 1109. The second argument that the Excise Commissioner would advance for the fall in revenue is due to the remission of two kists granted during the year 1109. The third factor is that when the arrears of revenue to be collected from this Department stood at Rs. 1·96 lakhs at the end of 1107 the arrears to be collected at the end of 1108 is Rs. 8·51 lakhs. All these would falsify the inference that the fall was due to the economic depression. First of all there is the fact that there is an increase of 3,000 proof gallons of foreign liquor imported into

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[Mr. K. P. Nilakanta Pillai.]

the country in 1109. Then there is the remission of two kists during 1109. The arrears to be collected is Rs. 8 and odd lakhs That leads to one thing. How did these arrears creep up? It is the policy of the department to show efficiency in the working of the department to the Government and say that the shops were sold at comparatively higher rates for a particular year. It is within our knowledge how the Excise authorities, exert undue pressure upon those who were interested in bidding the shops as a result of which the department found it difficult to realise the money from the bidders. All these three factors would show that the fall in the revenue is not due to the economic depression but to the unsatisfactory working of the department. My assertion is that the fall in revenue is noticeable not due to the economic depression but on account of the illicit manufacture and sale of toddy and country arrack which is going on on a very large scale throughout this country. In this connection I would invite the attention of the Excise Commissioner to the appointment of the special party in Kottayam to detect illicit tapping. I rely on the reports published and we find that as a result of the working of the special party it was disclosed that illicit tapping and sale of liquor must have been going on on a very large scale with the connivance of the responsible officers throughout the Kottayam Division for some time I would like to know why that special party was appointed and why it was called off. That is the reason why I asserted that the fall in revenue is not at all due to the economic depression because we know the psychology of drunkards that they will not hesitate to take away even the ornaments of their wives when they want to visit the toddy shops in the evening. It may be applicable to every other walks of life. All these would show that so noticeable a fall in the revenue was not due to the economic depression.

President: I am afraid the honourable member has to close soon.

Mr. K. P. Nilakanta Pillai: If the declared policy of the Department is one of prohibition through temperance they should issue an order preventing the sale of toddy and arrack after 8 P. M. and they should see that, as far as practicable, all the shops may be removed from the vicinity of temples and schools. These were the very modest requests made even eight years before and several motions were also passed to this effect. But even to-day so little heed is paid to these requests. This would show that the declared policy of the Department is not at all prohibition but to collect as much money as possible out of the evil drink.

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Mr. C. O. Madhavan: I am glad that a good number of members took part in the discussion relating to the demand for my Department and they have discussed at length certain aspects of the branches of the Department relating to excise and salt. I shall briefly explain the observations made by them. The discussion was led by Mr. John Kattakayam and his observation was that malpractices had increased of late in the Department and he further proposes that the revenue from this head may be completely abandoned by stopping the system of opening arrack and toddy shops. I fail to understand how these two positions could be reconciled. The increase of malpractices as urged by Mr. John Kattakayam is against facts as far as they may be gathered from the detection of offences except in the Division to which Mr. John Kattakayam belongs. Except in the Kottayam Excise Division of this Department there has been a steady fall in the detection of offences. If that may be taken as the index of malpractices, in the Kottayam Division I find that detection of offences has increased from 350 in 1108 to 735 in 1109. That shows that the Department is trying its level best to detect and prevent malpractices of all sorts. The spread of malpractices shows that people cannot get on without drink. If there is nobody to purchase toddy or arrack nobody will resort to illicit tapping or illicit distillation. It is in these areas that we find that people are more in the habit of drinking and the Department has been of late successful in detecting a larger number of cases than in previous years. My own experience of the different parts of this State is that the people in this country have not yet attained the stage at which they can do without drink. If the Government are to stop all the shops in the whole of the State as advocated by Mr. John Kattakayam the people themselves will have to take the initiative in the matter. They should be taught to abstain from drink and they must show that they do not want to drink and that they can do without drink.

I am afraid that the condition of the people of the State or for that matter the condition of human nature as we may gather from other activities in other parts of the world will never reach that stage when we can do away with drink.

Mr. M. N. Paramesvaran Pillai: May I know from the member whether by raising the duty on liquor and by raising the rentals he could not bring down the same.

Mr. C. O. Madhavan: Mr. M. N. Paramesvaran Pillai has always been of that view and has been asking questions often in that strain.

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Mr. M. N. Paramesvaran Pillai : May I point out to the Excise Commissioner that that is not my own view but the view of all those experienced in the Abkari Department. This is one of the suggestions made in the Report of the Madras Government and it is one of the important points stated there. I do not know how the Excise Commissioner pleads ignorance of that.

Mr. C. O. Madhavan : By raising the duty or by other means all that the Department can do is to increase the price of liquor and make it more and more costly for people to get drink. That we have been doing all along. The Department has been trying to attain prohibition by the gradual increase of tree-tax, increase of duty on arrack and reducing the number of shops. The number of shops has been reduced by over 300 during the last eight years. The duty on arrack has been raised from Rs. 4 annas 8 to Rs. 5 annas 5 per proof gallon. Similarly tree-tax has been raised by gradual stages from Rs. 5 to Rs. 8 for 6 months from Choondappany tree. All these things have been done and the aim of the Department is to promote temperance and to attain complete prohibition after some years. The more I know the ways of the people, I may freely confess that I seriously doubt it would be possible for us to reach that stage in the near future. No doubt the policy of the Government has been unmistakably declared to be one towards prohibition both by me and my predecessors in office. As one of the honourable members remarked, Dewan Mr. Watts has also said that the policy of the Government is complete prohibition.

Mr. K. P. Nilakanta Pillai : May I know from the member how many shops approximately were abandoned by the contractors during the last three years?

Mr. C. O. Madhavan : When one shop is abandoned by the contractor it is re-sold by the Government and another contractor takes it up.

Mr. M N. Paramesvaran Pillai : May I know from the member whether the Excise Department keeps any uniformity in the rentals of shops situated in a particular taluk ?

Mr C. O. Madhavan : Shops are sold in auction and the offer of the highest bidder is generally accepted.

Mr. M N. Paramesvaran Pillai : May I know from the member whether it is necessary or it is incumbent upon the Excise Commissioner to leave it to the highest bidder always ?

Mr. C. O. Madhavan : Provided I am satisfied as to the solvency of the highest bidder, I give the shops to the highest bidder. The question of revenue is a matter of primary consideration.

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Mr. M. N. Paramesvaran Pillai : May I know whether it is not on account of want of uniformity in rentals that these shop-keepers resort to illicit sale ?

Mr. C O. Madhavan : I have already explained, Sir.....

President : Your time is about to expire.

Mr. C O. Madhavan : Mr. Narayana Aiyar is of opinion that accumulation of arrears in rentals is due to the fact that much of the time of the subordinates of the Department is wasted in detection of cases. As a remedy he suggested that separate Prosecuting Inspectors might be appointed. I may tell him that in areas where detection has increased the work of prosecution has become very taxing and it takes away much of the time of the subordinates. It would be well if prosecuting officers are appointed but it is a question of money. I may inform the House that it is not due to prosecution of cases that the arrears have increased. Arrears did not accumulate till 1106 ; but accumulation has been increasing from 1106 because of the economic depression. Many people who take up shops find themselves unable to carry on the business and so the shops are re-sold. The difference in the rentals between the original sale and resale swells the arrears to be recovered under the Revenue Recovery Regulation.

Mr. K. Madhavan Pillai : May I know from the member the necessity for the continuance of the special staff at Changanacherry ?

Mr. C. O. Madhavan : The special staff has been continuing at Changanacherry from 1104. If we do not want to continue the experiment the special staff may be taken away. The special staff there receive very little help and co-operation from the citizens of the people in the detection of offences. When serious offences are detected, the detecting officers find it difficult even to get attestors to the mahazar.

Mr. C. M. Joseph (*Changanachery* cum *Peermade*) : ഡിപ്പാർട്ട്മെണ്ടിലെ ചില സിൽബന്ധികൾ വ്യാജവ്യാപാരത്തോട് അനുകൂലിച്ചു നിൽക്കുന്നതായി അറിയാമോ?

Mr. C. O. Madhavan: എനിക്കറിഞ്ഞുകൂടാ.

Mr. C. M. Joseph: അവിടത്തെ പൊതുജനങ്ങളുടെ സഹകരണം വേണമെന്നു കമ്മീഷണർ ആവശ്യപ്പെട്ടിട്ടുണ്ടോ?

Mr. C. O. Madhavan: അതിനെപ്പറ്റി പറയാൻ എനിക്കു അധികാരം തരികയാണെങ്കിൽ പറയാം. ഞാൻ മി. ജോസഫിനോടുതന്നെ മഹസ്സർ തയ്യാറാക്കുന്നതിനു അവിടത്തെ പൊതുജനങ്ങളു

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[Mr. C. O. Madhavan.]

ടെ സഹകരണം ഡിപ്പാർട്ട്മെണ്ടു സിൽബന്ധികൾക്കു ലഭിക്കുന്നില്ലെന്നും അതുകൊണ്ടു നിങ്ങൾതന്നെ വേണ്ട സഹായം നൽകേണ്ടതാണെന്നും പറഞ്ഞിട്ടുണ്ടു്.

Mr. C. M. Joseph: അങ്ങനെ ഒരിക്കലെങ്കിലും അത്യാവശ്യം നോട്ടീസ്സുള്ളതായി സിൽബന്ധികൾ ആരെങ്കിലും പറഞ്ഞിട്ടുണ്ടോ?

Mr. P. Padmanabhan Tampi: A point of order. The reply is intended to the House whereas the member is confining his reply to the non-official member.

President: Probably they have been talking something among themselves and naturally a secret to others.

You may finish your speech. The bell applies to all official and non-official members.

Mr. C. O. Madhavan: Then there is the question of salt business. Mr. Ramakrishna Pillai seems to doubt whether we have reached the stage when we manufacture as much salt as we require. I may inform the House that it depends primarily upon weather conditions. This year we have been able to manufacture about 50 per cent. more salt than the quantity which Travancore requires for one year.

Mr. Parameswaran Pillai referred to the payment of kudivila. His complaint is that it is not paid to the licensees as soon as the salt is reserved for Government. The practice here is to reserve the salt as soon as manufacturing is completed and to pay the kudivila when the salt is removed.

Another point raised is that the brine used for manufacture is not tested and so inferior variety of salt is manufactured. I may inform the House that I have received complaints from the licensees this year that the officers in charge interfere too much in this matter and that the contractors are suffering on account of the strict enforcement of the rules.

Mr. J. John Kattakayam: ഞാൻ ഈ ഉപക്ഷേപം പിൻ വലിക്കുന്നതിനു് അനുവാദം ചോദിച്ചുകൊള്ളുന്നു.

President: I put it that Demand No. X—Excise Department for Rs. 6,17,732 be passed. The demand was passed and the grant was made.

DEMAND XI.

FOREST DEPARTMENT.

Mr. R. Dhanukoti Pillai: Sir, I rise to move for a grant not exceeding Rs. 7,95,255 under Demand XI—Forests.

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